

21 SEP 1974

102-2-74

MEMORANDUM FOR: Deputy Director for Operations

SUBJECT : KIQ/KEP

1. I certainly understand and appreciate the problem you raise. However, every agency could raise the same problem if indeed the KIQ/KEP process were expected to go as deeply as you indicate. In fact, I have already indicated some reservation as to the degree of detail the KEP process should include and agreed to go through the trial set of 1974 KIQ evaluation during the next month or so in order to determine in practical terms the degree of detail needed and reasonably obtainable. In essence, I expect every agency to run its own internal management in its own fashion, in your case through your Objectives. At the top level of a particular agency (or directorate), however, I would hope that a minimum of staff work could ascertain (with only a reasonable degree of error) the manner in which the resources of the particular unit were divided between KIQ's, non-KIQ national questions and departmental or tactical questions not covered under the KIQ's. These three categories should cover the entire budget of the unit, with overhead and general support matters allocated according to the percentages developed for the major three categories noted above and the individual KIQ's. The process would have to be "simple, arbitrary and subjective." These resource statements would then be used by the NIO's to match up against their view of actual production against the KIQ's by each unit. The precision and accuracy of the whole process is subject to challenge, but the overall conclusions are drawn today with no effort to methodize the basis on which they are reached. This process is an attempt to so methodize them to the extent feasible without a large bureaucratic exercise.

2. That being said, I have forwarded your memo to the IC Staff with instructions to work out the best arrangements they can with you. I certainly do not expect to change your or any other agency's method of running its internal operations or set up separate accounting structures, etc.

WEC

W. E. Colby  
Director

cc: D/DCI/IC  
Comptroller  
D/DCI/NIO

HEC:jlp (20 Sep 74)

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